

CONFIDENTIAL ATTACHMENT

Information Request DTE-1-1

Refer to Exhibit 2, at 6. The dollar figures included in the row for 2004 are supported by a table included in Exhibit 3, at 3. Please submit a table similarly-formatted as the table included in Exhibit 3, at 3 to support the 2005 dollar figures included in Exhibit 2, at 6.

Response

Exhibit 2¹ at 6 shows the annual Total NUG costs. Exhibit 3 shows the monthly NUG cost for 2004. As requested, the monthly NUG costs for 2005 are provided in Attachment DTE-1-1 [**CONFIDENTIAL**].

Please note that Standard Offer Service, and hence any Standard Offer Service Fuel Adjustment (“SOSFA”), terminates on February 28, 2005. Thus, the data for March through December 2005 is provided for information purposes only in response to this information request and does not have any impact on Standard Offer Service or the SOSFA.

¹ Please note that the amounts in Exhibit 2 differ from that filed in recent requests for approval of the termination of purchased power agreements (e.g., D.T.E. 04-68). This is because this SOSFA exhibit uses updated data including an additional month of actual data (June), the impact of the pending settlement in D.T.E. 03-117, the additional SOSFA revenues from September through December, 2004 and updated forecasts for Hydro-Quebec and the nuclear decommissioned plants Conn Yankee and Mass Yankee.

Boston Edison Company
Total NUG Cost
\$ in Millions

<u>Line</u>	<u>Description</u>	<u>Estimate</u> <u>Jan-05</u>	<u>Estimate</u> <u>Feb-05</u>	<u>Estimate</u> <u>Mar-05</u>	<u>Estimate</u> <u>Apr-05</u>	<u>Estimate</u> <u>May-05</u>	<u>Estimate</u> <u>Jun-05</u>	<u>Estimate</u> <u>Jul-05</u>	<u>Estimate</u> <u>Aug-05</u>	<u>Estimate</u> <u>Sep-05</u>	<u>Estimate</u> <u>Oct-05</u>	<u>Estimate</u> <u>Nov-05</u>	<u>Estimate</u> <u>Dec-05</u>	<u>Total</u>
1	Masspower													
2	Entergy Nuclear													
3	MBTA Jets 1													
4	MBTA Jets 2													
5	NEA 1													
6	NEA 2													
7	Ocean State 1													
8	Ocean State 2													
9	Hydro Quebec 1													
10	Hydro Quebec 2													
11	HQ Energy Line Usage													
12	Connecticut Yankee													
13	Mass Yankee													
14	Total NUG Cost													

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Information Request DTE-1-2

Refer to Exhibit 2, at 7. The dollar figures included in the row for 2004 are supported by a table included in Exhibit 3, at 2. Please submit a table similarly-formatted as the table included in Exhibit 3, at 2 to support the 2005 dollar figures included in Exhibit 2, at 7.

Response

Exhibit 2 at 7 shows the NUG annual market value for the years through the end of the NUG contracts. Exhibit 3 on page 2 shows the 2004 NUG Generation by month. As requested, the 2005 monthly NUG generation is provided in Attachment DTE-1-2 **[CONFIDENTIAL]**. There is no "Dist Co Settlement price" in this attachment because none was used in Exhibit 2 for 2005. Exhibit 2¹ and 3 were submitted in this filing in order to demonstrate that implementation of a SOSFA for Boston Edison at this time will not result in an over-collection of either Standard Offer Service revenues or transition cost revenues in 2004. Accordingly, the projections for 2005 did not compute a settlement price for the January and February, the last two months of Standard Offer Service. The Company anticipates demonstrating in its annual reconciliation filing for 2005 (generally filed in early December of each year) that the continuation of the SOSFA for the first two months of 2005 would not result in an overcollection of revenues in 2005. Nonetheless, an estimated "Dist. Co Settlement Price" for January and February is shown in the response to Information Request DTE 1-3, based on the assumptions described therein.

¹ Please note that the annual market value for 2004 in Exhibit 2 differs from that filed in the recent request for approval of the termination of a purchased power agreement (D.T.E. 04-68) because it uses updated data, including an additional month of actual data (June) and does not include some gas layoff costs that would increase the projected year-end deferral.

Boston Edison Company
Monthly NUG Generation
GWH

<u>Line</u>	<u>Description</u>	<u>Estimate</u> <u>Jan-05</u>	<u>Estimate</u> <u>Feb-05</u>	<u>Estimate</u> <u>Mar-05</u>	<u>Estimate</u> <u>Apr-05</u>	<u>Estimate</u> <u>May-05</u>	<u>Estimate</u> <u>Jun-05</u>	<u>Estimate</u> <u>Jul-05</u>	<u>Estimate</u> <u>Aug-05</u>	<u>Estimate</u> <u>Sep-05</u>	<u>Estimate</u> <u>Oct-05</u>	<u>Estimate</u> <u>Nov-05</u>	<u>Estimate</u> <u>Dec-05</u>	<u>Total</u>
1	Masspower													
2	Entergy Nuclear													
3	MBTA Jets 1													
4	MBTA Jets 2													
5	NEA 1													
6	NEA 2													
7	Ocean State 1													
8	Ocean State 2													
9	NUGs Generation													
10	Less: Assumed Line Losses @	6.86%												
11	Net GWH Delivered													

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Information Request DTE-1-3

Please provide documentation supporting the price used in row 12 of the table submitted in response to Information Request DTE 1-2 (this row is titled "Dist Co Settlement Price" in Exhibit 3, at 2).

Response

As mentioned in the response to Information Request DTE-1-2, Exhibit 2 did not include the calculation of a "Dist Co Settlement Price" for 2005 because the presentation was focused on 2004 year end. In addition, the settlement price for 2005 is limited to the first two months of the year (when Standard Offer Service expires).

A forecast of the "Dist Co Settlement Price" for 2005 (for the months January and February) is shown on Attachment DTE-1-3 **[CONFIDENTIAL]**, which estimates an average price of \$0.0646 per kWh. This amount is based on updated numbers (including actual data through June 2004 and updated forecasts) as well as assuming that the SOSFA price of \$0.01223 will be maintained through February 2005. Note that this "Dist Co Settlement Price" would be an adjustment to the market value of the NUGs in Exhibit 3 in a manner similar to that shown in D.T.E. 04-68.

Calculation of the "Dist Co Settlement Price" is summarized on page 1 of Attachment DTE-1-3. The Standard Offer Revenues on line 1 are calculated by multiplying the Standard Offer price (including SOSFA) by the forecasted kWh sales. This calculation is shown on page 5. The Standard Offer Expense on line 2 is set equal to the Revenues. This ensures that there is no deferral in accordance with the Company's Department-approved settlement agreement. This expense is carried to line 12 and the percentage of cost borne by wholesale customers is added back to arrive at the total supply cost on line 9. Projections of Short Term Market purchases on line 8 are subtracted from the total supply cost to arrive at the cost of the PPAs. The short term purchases are calculated on page 4. Line 7, the difference between line 9 and line 8, is the transfer cost of the PPAs. This cost by month for the PPAs is taken from page 1, line 7 and carried to page 2, line 14. The "Dist Co Settlement Price" is calculated by dividing the Cost of NUG Purchases on line 14 by the net GWH delivered on line 12.

Boston Edison Company
Monthly Standard Offer Deferral
\$ in Millions

Line	Description	Dec-04	Forecast Jan-05	Forecast Feb-05	Total
1	Standard Offer Revenues [page 5, line 6]		\$ (42.195)	\$ (42.146)	\$ (84.341)
2	Standard Offer Expense [minus line 1 minus prior mo. line 5]		42.195	42.146	84.341
3	Standard Offer Deferral (Over) / Under Recovery		-	-	-
4	Interest on SO Deferral Balance [Note]		-	-	-
5	SO Deferral (Over) / Under Ending Balance	\$ -	\$ -	\$ -	
6	Standard Offer Expense Detail				
7	NUG Purchases [line 9 minus line 8]		\$ 11.050	\$ 19.301	\$ 30.351
8	Short Term Market Transactions [page 4, line 6]		32.128	23.928	56.056
9	Subtotal [line 7 + line 8]		43.178	43.229	86.407
10	Wholesale % [page 6, line 7]		2.33%	2.57%	
11	Wholesale Cost [line 9 * line 10]		0.983	1.083	2.066
12	Standard Offer Expense [line 2]		\$ 42.195	\$ 42.146	\$ 84.341
	Annual Interest Rate		1.65%	1.65%	

**Boston Edison Company
Monthly NUG Generation
GWH**

<u>Line</u>	<u>Description</u>	<u>Forecast Jan-05</u>	<u>Forecast Feb-05</u>	<u>Total</u>
1	Masspower			
2	Entergy Nuclear			
3	MBTA Jets 1			
4	MBTA Jets 2			
5	NEA 1			
6	NEA 2			
7	Ocean State 1			
8	Ocean State 2			
9	OSP Replacement Power			
10	NUGs Generation			
11	Less: Assumed Line Losses @	6.86%		
12	Net GWH Delivered			
13	Dist Co Settlement Price [line 14 / line 12]			
14	Cost of NUG Purchases [page 1, line 7]			

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Boston Edison Company
Total NUG Cost
\$ in Millions

<u>Line</u>	<u>Description</u>	<u>Forecast Jan-05</u>	<u>Forecast Feb-05</u>	<u>Total</u>
1	Masspower			
2	Entergy Nuclear			
3	MBTA Jets 1			
4	MBTA Jets 2			
5	NEA 1			
6	NEA 2			
7	Ocean State 1			
8	Ocean State 2			
9	Hydro Quebec 1			
10	Hydro Quebec 2			
11	HQ Energy Line Usage			
12	Connecticut Yankee			
13	Mass Yankee			
14	Total NUG Cost			

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Boston Edison Company
Monthly Short Term Market Transactions
\$ in Millions

<u>Line</u>	<u>Description</u>	<u>Account</u>	<u>Forecast Jan-05</u>	<u>Forecast Feb-05</u>	<u>Total</u>
	<u>Cost</u>				
1	Short Term SO - Sales	447640	\$ (13.743)	\$ (12.437)	\$ (26.180)
2	Short Term SO - Energy	555010	45.206	35.724	80.930
3	Short Term SO - Capacity	555020	-	0.001	0.001
4	ISO - NE	555030	0.640	0.621	1.261
5	Miscellaneous Transmission	565260	0.025	0.019	0.044
6	OSP Replacement Power		-	-	-
7	Total ST Market Cost		<u>\$ 32.128</u>	<u>\$ 23.928</u>	<u>\$ 56.056</u>

Boston Edison Company
Standard Offer Revenue
\$ in Millions

<u>Line</u>	<u>Description</u>	<u>Account</u>	<u>Jan-05</u>	<u>Feb-05</u>	<u>Total</u>
1	<u>Standard Offer Revenues</u>				
2	Residential	440170	\$ 18.235	\$ 18.139	\$ 36.375
3	Commercial	442450	\$ 20.735	\$ 21.148	41.883
4	Industrial	442460	\$ 2.563	\$ 2.269	4.832
5	Street Light	444070	\$ 0.661	\$ 0.590	<u>1.251</u>
6	Total Standard Offer Revenues		<u>\$ 42.195</u>	<u>\$ 42.146</u>	<u>\$ 84.341</u>
7	Standard Offer Price		<u>\$ 0.054</u>	<u>\$ 0.054</u>	
8	SOSFA Price		<u>\$ 0.012</u>	<u>\$ 0.012</u>	
9					
10	Standard Offer GWH Sales		646.596	636.840	1,283.436

Boston Edison Company
Monthly Wholesale GWH Sales, Wholesale Sales as Percentage of Sales

<u>Line</u>	<u>Wholesale Customer</u>	<u>Forecast</u>		<u>Total</u>
		<u>Jan-05</u>	<u>Feb-05</u>	
1	Braintree			-
2	MassPort	15.441	16.815	32.256
3	Other	-	-	-
4	Total Wholesale Sales	15.441	16.815	32.256
5	Retail Sales - SO	<u>646.596</u>	<u>636.840</u>	<u>1,283.436</u>
6	Total Sales (Whsle + SO)	<u>662.037</u>	<u>653.655</u>	<u>1,315.692</u>
7	Wholesale % (Line 4 / line 6)	2.33%	2.57%	

Information Request DTE-1-4

Refer to Exhibit 3, at 2, 3. Please calculate the average 2004 monthly and annual cost per GWH for each NUG listed.

Response

As requested, Attachment DTE-1-4 shows the average price per MWH by dividing the monthly NUG cost on Exhibit 3, page 3 by the monthly NUG generation on Exhibit 3, page 2.

[illegible]

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Information Request DTE-1-5

Based on the response to Information Requests DTE 1-1 and DTE 1-2, please calculate the average 2005 monthly and annual cost per GWH for each NUG listed.

Response

As requested, Attachment DTE-1-5 shows the average price per MWH of the NUGs by dividing the monthly NUG cost in Attachment DTE-1-1 by the monthly NUG generation in Attachment DTE-1-2.

Boston Edison Company
Average Monthly and Annual Cost of NUG Generation
Dollars per kWh

<u>Line</u>	<u>Description</u>	<u>Estimate</u> <u>Jan-05</u>	<u>Estimate</u> <u>Feb-05</u>	<u>Estimate</u> <u>Mar-05</u>	<u>Estimate</u> <u>Apr-05</u>	<u>Estimate</u> <u>May-05</u>	<u>Estimate</u> <u>Jun-05</u>	<u>Estimate</u> <u>Jul-05</u>	<u>Estimate</u> <u>Aug-05</u>	<u>Estimate</u> <u>Sep-05</u>	<u>Estimate</u> <u>Oct-05</u>	<u>Estimate</u> <u>Nov-05</u>	<u>Estimate</u> <u>Dec-05</u>	<u>Total</u>
1	Masspower													
2	Entergy Nuclear													
3	MBTA Jets 1													
4	MBTA Jets 2													
5	NEA 1													
6	NEA 2													
7	Ocean State 1													
8	Ocean State 2													

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Information Request DTE-1-6

Please explain all differences in the way NSTAR forecasted NUG cost and generation in D.T.E. 03-117, Exh. BEC-JFL-6 (Supp.) compared to the way it estimated NUG cost and generation in Exhibit 3 of this filing.

Response

D.T.E. 03-117, Exh. BEC-JFL-6 (Supp) is a forecast of Standard Offer costs and revenues for 2004. Exhibit 3 is a schedule showing actual amounts for the first six months and forecast amounts for the remaining six months of 2004.

The 2004 forecast of generation and cost in D.T.E. 03-117, Exh. BEC-JFL-6 (Supp) was taken from the Company's annual budget and was based on a forecast of generation and prices of the contracts. NSTAR Electric used similar methods to forecast NUG costs and generation in both filings. The forecast used in D.T.E. 03-117, was developed internally in late 2003 and was based on the each NUG's contract provisions and estimates of future levels of generation based on past trends and knowledge of then current conditions. The recovery costs of from customers is subject to full reconciliation with actual costs incurred by the Company.

Exhibit 3 includes actual costs and generation for the first six months of 2004. In addition, the 2004 forecast of generation and cost for the period July through December for each PPA in Exhibit 3 has been updated based on a more current forecast that was developed in conjunction with the Company's PPA auction, the results of which are currently the subject of three separate Department dockets: D.T.E. 04-60, D.T.E. 04-61 and D.T.E. 04-68. The Company engaged Concentric Energy Advisors ("CEA") to develop a current forecast of NUG cost and generation. CEA calculated cost data specific to the provisions of each NUG contract using current forecast of cost indices as they affect contract pricing. The CEA forecast was critical to estimate the benefits or costs of buyouts and thus was one of great depth and review.